

TENNESSEE REGULATORY AUTHORITY

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460 James Robertson Parkway
Nashville, Tennessee 37243-0505

Via Electronic Mail and First Class Mail

May 17, 2005

Mr. Archie R. Hickerson
Director – Regulatory Affairs
AGL Resources, Inc.
5100 E. Virginia Beach Blvd.
Norfolk, Virginia 23502

Re: Chattanooga Gas Company ACA Audit (Docket 04-00402)

Dear Mr. Hickerson:

At the December 13, 2004 Authority Conference, the Panel reached a decision in Docket 03-00516.¹ The Authority Order dated May 6, 2005 states "Any agreement entered into between Chattanooga Gas Company and an asset manager shall be filed with the Authority for approval prior to the commencement of the agreement."² In its July 9, 2004 *Response of Chattanooga Gas Company to the Energy and Water Divisions' Compliance Audit Report* in Docket 03-00516, CGC indicated that it was finalizing a new asset management agreement with its affiliate Sequent Energy Management. Accordingly, we request CGC to supply us with a copy of the Gas Purchase and Sales Agreement between CGC and Sequent, no later than May 27, 2005.

Thank you for your attention to this matter. If you have any questions, please contact Gary Lamb at extension 172 or myself at extension 178.

Sincerely,

Pat Murphy
Manager of Energy and Water
Utilities Division
Pm05-30

cc: Richard Collier, Chief Counsel
Darlene Standley, Chief of Utilities Division
Billey Sanders, Counsel for Chattanooga Gas

¹ Chattanooga Gas Company ACA Audit for the period ended June 30, 2003

² Authority Order in Docket 03-00516, dated May 6, 2005, page 10 at number 4